

DATE: 08/05/2003

SUBJECT: THE COTEAU PROPERTIES COMPANY (COTEAU), COAL LEASE BY APPLICATION: WEST MINE AREA

PURPOSE OF THE BRIEFING DOCUMENT:

The BLM received an application on January 18, 2002, to lease tracts of federal coal adjacent to the Freedom Mine in Mercer County, North Dakota. These tracts, which include some 5,600 acres and comprise an estimated 90 million tons of lignite coal, are part of a larger mine extension. The total permit area will encompass some 17,000 acres of intermixed federal and non-federal coal reserves.

ISSUES:

The Coteau Properties Company is the lessee and operator of federal coal deposits at the Freedom Mine, which began operations in 1983. The proposed lease adjoins the Freedom Mine along its western boundary.

Due to its coal reserves and configuration, the West Mine Area provides a logical step to extend the life of the Freedom Mine. At the current level of production the Freedom Mine can be maintained for approximately 30 years with coal from the West Mine Area.

MAIN DECISION OR MESSAGE:

The BLM is preparing a leasing Environmental Impact Statement. The Draft EIS is expected to be completed and available for comments by September 2003. The proposed federal tracts are considered suitable for mining according to the *North Dakota Resource Management Plan and EIS* (April 1988). Coteau is preparing a plan to mitigate concerns over cultural issues.

BUREAU PERSPECTIVE:

The BLM projects a low to moderate level of non-tribal public interest. Some tribes, however, have voiced concerns regarding disturbance of traditional cultural sites in the area of the proposed mine expansion.

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